

Constructing the consumer

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- Last time we saw how our economic system is organized, and how it has to constantly grow
 - we also saw that the roles and rules of behavior that comprise this system are arbitrary cultural constructs
 - they are not universal or inherent features of humans and society
- what are these roles and rules of behavior in the culture of capitalism?
 - roles: consumer, capitalist, and laborer
 - rules (among others):
 - for consumers, it is right, normal, respectable, and good to
 - buy and accumulate things in order to attain happiness
 - buy on credit, promising to pay later
 - save little
 - for capitalists, it is right, normal, respectable, and good to
 - invest money in any way that makes a profit
 - expect that the enterprises he/she invests in will make making a profit their highest priority
 - this is even legally and ethically codified as **fiduciary duty**: the responsibility of those entrusted with an investment to act in the interests of the investor
 - NOT in the interests of themselves, the workers, the people who live nearby, etc.
 - if they differ from the investor's
 - except as required by law
 - for laborers, it is right, normal, respectable, and good to
 - work as much and as hard as possible, in order to maximize income
 - Now, let's look more closely at how these cultural categories and rules are "constructed"
 - that means, how do the members of society learn them?
 - why do so few people feel that debt is bad (which used to be a common attitude), or so many actually think it is good?
 - example of modern attitude towards debt: D. & K. (grad students)
 - proud of their maxed-out credit cards
 - why would you not have the goods now, if you could?
 - saw failing to take that opportunity as foolish
 - why do many people care about whether their clothes and car are current and fashionable?
 - again, these attitudes are not universal or necessary
 - people are trained or **enculturated** to hold them
 - what other features of the culture reinforce these roles and rules, so that we accept them and comply with them?
 - what makes them seem so obvious, legitimate, and correct to members of our culture of capitalism?
 - We will start with the construction of the "consumer" as a legitimate, valued role in society

- Your readings show that being a “consumer” was not common, and was actually looked down upon, in the US up into the mid 1800s.
- What has the construction of the consumer gotten us? “Affluenza”
 - Discuss the video
 - Definition of “affluenza” from the video’s web page, slightly tongue in cheek:
 - 1. The bloated, sluggish and unfulfilled feeling that results from efforts to keep up with the Joneses.
 - 2. An epidemic of stress, overwork, waste and indebtedness caused by dogged pursuit of the American Dream.
 - 3. An unsustainable addiction to economic growth.
 - Definition of “affluenza” in the video:
 - An unhappy condition of overload, debt, anxiety and waste resulting from the dogged pursuit of more.
 - Symptoms:
 - Swollen expectations
 - we have much more and better stuff than in 1950
 - even cheap cars now have air conditioning, phones are mobile, many people have microwaves, computers are ubiquitous (and better than those of five years ago), etc.
 - people fly 25 times as much as in the 1950s
 - yet self-reported happiness peaked in 1957
 - we now *expect* to have all this stuff, and it does not make us any happier than before
 - we need to consume ever more to stay equally happy
 - many studies show that people evaluate their success and satisfaction in comparison to others
 - so as some consume more, everyone else must too, in order to maintain the same level of happiness
 - “today’s luxuries become tomorrow’s necessities”
 - Shopping fever
 - shopping as entertainment; impulse buying sparked by displays
 - Not only us: Peruvians flying to Orlando to shop, returning with mountains of purchases
 - “on average, we shop 6 hours a week, but spend only 40 minutes playing with our children”
 - Potomac Mills shopping mall ad: “Shopping is therapy”
 - this is EXACTLY Robbins’ point about how the construction of the consumer was intertwined with the rise of a “therapeutic ethos” in the US
 - which emphasized personal well-being, attainable by buying the right stuff
 - Chronic stress
 - we work more, save less, in order to buy more stuff
 - “possession overload”
 - caring more for things than for people
 - breaks down health and relationships
 - Hypercommercialism

- lots more advertising than ever
- “turns citizens into consumers”
 - again, sounds like Robbins about “constructing the consumer”
- Material girls and boys: Intense marketing to children
 - intentional process of turning children into consumers
 - advertisers can only capture kids if they get them younger and younger
 - interview with kids at a mall
 - every one specifies not only what they bought, but also its brand
 - not its color, material, etc.
 - these kids have been successfully marketed to
 - “empowering” children to express themselves through purchases
 - encouraging them to pressure parents to buy things for them
 - marketing in schools
 - corporate-sponsored “educational” aids
 - Channel One shown in schools
 - school buses with ads on the side, snack food ads all over campus
 - does that sound extreme?
 - Tuesday, Sept 8th SF Chronicle announces the formation of the University of California Commission on the Future
 - to look into not only how to cut costs, but also how to get funding from new sources
 - If your university could keep your fees lower or offer more classes by plastering ads all over campus, what would you say?
 - what might be the long-term results?
- A rash of bankruptcies
 - wow, did this observation/prediction prove correct!
 - this video was made in 1997
 - mortgage debt, credit card debt
 - fewer than 1/3 of households pay off credit cards monthly
 - credit card debt
 - about \$3,200 per man, woman, and child in the US in 2008
 - 13.9% of all consumer disposable income in the US is spent on credit card interest and fees!
 - figures compiled on creditcards.com
 - 90% of divorces involved financial arguments
 - 1996: more than 1 million Americans declared personal bankruptcy: more than graduated from college
 - the video says that Americans save only 4% of their income, spending all the rest
 - in 2008, Americans saved only 2.7%
 - Since January 2000, the American savings rate was *below 2%* for 41% of the time
 - although the savings rate is rising a little now as people try to recover from their losses in the recession
 - “soared” to 5% in the second quarter of 2009

- back “down” to 4.2% in July 2009
- the savings rates of up to 5% in 2009 have been by far the highest in this millennium
- and this is still terribly low; Japanese save 60% of their disposable income
- figures from US Dep’t of Commerce, Bureau of Economic Analysis (BEA)
- point: American consumers spend almost all of their income as fast as they can earn it
 - so we are vulnerable to any financial accident
 - an unexpected medical crisis
 - unemployment
- Fractured families
 - consumerism takes away from family time and relationships
 - people spend less time on volunteer associations, churches, etc.
 - relationships themselves become commodified
 - people “shop” for the “best” mate
 - upgrade to a better one when they can
 - remember money as a key metaphor?
 - metaphors not only express, but also shape, how people think about things
 - social relationships are becoming increasingly, openly, legitimately transactional
 - this is not how it has always been
- Social scars
 - increasing gap between rich and poor in US
 - again, this is dramatically more so now than when the video was made, just 12 years ago
 - US income gap has grown rapidly since 2000
 - not only our rich getting richer
 - also our poor getting poorer
 - ratio of pay between executives and workers was 40:1 in 1980
 - it is more than 400:1 today
 - real income has remained flat or gone down for more than 80 percent of Americans during the same period
 - http://www.ucsc.edu/news_events/text.asp?pid=2121
 - yet the income gap in France has *declined*, as poor workers are paid more
 - <http://www.msnbc.msn.com/id/27295405/>, Oct. 21, 2008
 - “In the United States, the richest 10 percent earn an average of \$93,000
 - — the highest level in the OECD [Organization for Economic Cooperation and Development].
 - The poorest 10 percent earn an average of \$5,800
 - — about 20 percent lower than the OECD average.”
 - <http://www.msnbc.msn.com/id/27295405/>, Oct. 21, 2008
 - makes low-income people feel hostile towards those who are getting wealthier and consuming more
 - encourages crime, violence, rioting...
 - gang kids who feel that their worth is dependent on having the latest products

- the couple that carjacked California state senate President Pro Tem Dan Perata in order to get the 22” rims on his car
- later accidentally shot a kid taking a piano lesson while robbing a nearby gas station to buy more goodies for his car
- global poor, too
- what will be the long-term result?
- Global infection
 - consumption culture is spreading around the globe
 - yet the whole world cannot consume at our rate
 - each American uses 20 tons of “basic raw materials” every year
 - junk 7 million cars a year
 - vast quantity of garbage and pollution
 - global warming due to burning fossil fuels
- Brief review of rise of consumerism
 - 19th-century department stores
 - early 20th century “simplicity” movement
 - growth after WWII
 - government spending on low-interest loans for houses
 - planned obsolescence: a new car every year
 - oil crisis in 1970s
 - President Carter warned of overconsumption
 - but the institutions of the world were committed to growth
 - he got creamed by Ronald Reagan’s sunny, pro-growth attitude
- prevention and cure: the video’s suggestions for treating “affluenza”
 - Developed world must set a lower-consumption example
 - [without somehow denying the benefits of consumption to the rest of the world that has not enjoyed them yet, or they won’t go along with it]
 - Suggests that governments should change how they measure economic success
 - now use GDP (Gross Domestic Product)
 - counts all spending as production, both producing goods and repairing the damage
 - such as spending to cut down trees
 - to buy things made from them
 - to dispose of them afterwards
 - to clean up the pollution caused in the process
 - this makes cutting forests look like a very productive activity, when some of that “production” was really a cost
 - instead, we could use a measure that treats the disposal and cleanup as costs
 - should also count the cost of the loss of the forest for recreation, ecological diversity, climate control, etc.
 - Genuine Progress Indicator (GPI)
 - One country is doing this: Bhutan
 - Gross National Happiness index

- but this is a very poor country with low life expectancy and some civil rights problems... GNH may be a bit self-serving
- actually measuring happiness, fairness, etc. is difficult
- efforts to change the consumer culture
 - “Buy Nothing Day”
 - uncommercials
 - book: “Your Money or Your Life”, urging a lifestyle of less spending and consumption
 - “voluntary simplicity” movement
- Response to the prescription for “affluenza”
 - Just living simply is not enough
 - “simple living” is just making yourself feel better
 - In fact, it accepts capitalism’s definition of us as consumers
 - according to which all we can do is change what we consume
 - the amount of difference you make by living simply is trivial
 - you could reduce your impact on the planet the most by committing suicide, but no one suggests that
 - what is really needed is larger activism to challenge the system
 - political and cultural activism
 - responses to this response:
 - well, if you don’t cut back on consumption yourself, any activism is hypocritical
 - both are needed: cut back on consumption, AND become politically active
 - what would that activism be, exactly?
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- *The following section was not covered in class:*
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- Advertising works because it is done by pros armed with studies of psychology
 - Video on psychological tricks used in advertising (Robert Cialdini)
 - There are more “influence professionals” using the results of psychological studies than there are psychologists studying people
 - goal: get people to buy something
 - Principles
 - 1. Principle of reciprocation
 - we feel obligated to give back to others the form of behavior they have given to us
 - if someone does us a favor, we are more likely to say yes when they ask for a favor in return
 - as in Hare Krishnas giving you a flower, then asking for a donation
 - more modern: as in a mailing or website asking for your opinion (appreciating you), then asking for a donation or purchase (you should appreciate them)
 - 2. Principle of scarcity
 - things that are scarce or becoming scarcer are more attractive
 - hence limited-time offers, limited availability, etc.

- extreme example: ads in newspaper supplements for cheesy “collectable” coins or other goods, with prominent strict limits on how many you can buy, complicated rules about when you can call in an order, etc.
- 3. Principle of authority
 - we tend to follow the lead of a legitimate expert or authority
 - hence athlete endorsements
- 4. Principle of commitment
 - once we have taken a position on an issue, we are more likely to agree to anything consistent with that position
 - get people to wear a United Way pin; two weeks later, they will be twice as likely to agree to donate when solicited
 - this is another aspect of all those online polls
 - get you to take a stand
 - then ask for a donation or purpose consistent with that stand
- 5. Principle of liking
 - people are more likely to say yes to someone they know and like
 - Tupperware party – we say yes not to a stranger, but to a friend
 - friendly salespeople
- 6. Principle of consensus
 - we are more likely to say yes to a proposition if we have evidence that a lot of people around us are saying yes
 - ads that say the product is the largest selling, the most popular, etc.
- Lots of other marketing tricks
 - put basic items that people already know they want at the back of the store,
 - so they have to walk by everything else and may be “inspired with desire” to buy something they had not been looking for
 - playing on insecurities
 - as Robbins notes about marketing to children
 - but really to everyone
 - suggest that the product is necessary for approval from strangers, opposite sex, etc.
 - “if you don’t buy this, you’ll be a dork”
- Others?
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- *The following section simply reviews the reading, and was not covered in class:*
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- Cultural and institutional changes involved in the rise of the culture of capitalism:
 - universities beginning to teach marketing, management, accounting, business
 - government supporting growth of business
 - US Department of Commerce
 - gathering consumption and marketing data
 - providing training, data, advice to advertisers

- promoting home ownership to the public in big campaigns
- US government regulating credit abuses so that consumers could get credit more safely and thus buy more
 - consumer protection is good, of course,
 - but it had the unintended consequence of leading to the excessive indebtedness of today
- businesses increasing wages
 - so that laborers would have reason to work hard and long
 - and then spend their wages on the goods they helped to produce
 - higher wages and income are good, of course,
 - but they had the unintended consequence of leading people to devote ever more of their lives to work, rather than less
- advertising altering the meanings of holidays
 - to encourage buying cards, gifts, flowers, etc.
 - Valentine’s day
 - Christmas already an obvious advertising frenzy by the 1870s!
- advertising increasing social segmentation
 - by targeting ads and products at narrow slices of the public
 - excellent example of magazines
 - contrast the popular general-interest magazines of the 1950s
 - Life, Look, Saturday Evening Post
 - with the many more, and much more specialized, magazines of today
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- *The remainder of these notes was or will be covered in class:*
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- So, what caused all these changes?
 - These changes were consciously encouraged in order to
 - make profits
 - starting in the 1880s
 - continuing the shift into the 1930s
 - and being maintained and exaggerated up to the present
 - by advertising to create new desires
 - initially, retailing involved little advertising
 - you would know you needed something, and go buy it
 - by shifting the retail buying process from requesting generic goods at a counter
 - to stores that you wandered through, browsing for things that would stir your desire to buy them, even though you did not arrive knowing that you needed them
 - think about how this works next time you walk through a store
 - by increasing emphasis on fashion and changing styles
 - people buy in order to be current, not because the old goods are worn out
 - new models of cars every year; ideal of getting Americans to buy a new car every year
 - by increasing availability of credit
 - loss of the stigma formerly associated with being in debt

- by creating an experience of “service”
 - provided approval and encouragement to buy
 - masked the potential embarrassment or stigma of self-indulgence by aiding and approving of it
 - masked the inequality and unpleasant contrast inherent in spending a lot while an employee who could not afford the same thing went to fetch it
 - made it seem that business was not about profit, but about serving the needs of others
- But the changes leading to the culture of capitalism also arose as part of other trends
 - a trend towards a “therapeutic ethos” emphasizing individual psychological health and self-fulfillment
 - changing away from values of thrift, moderation, modesty
 - towards spending and display
 - promoted by increasing popularity of psychology
 - or was the increasing popularity of psychology a result of increasing emphasis on individual fulfillment?
 - culture is integrated; cause and effect may be hard to separate
 - also promoted by shift of people from small towns with extensive social networks to more isolated, anonymous urban settings
 - ads could play on people’s need for acceptance by strangers in their urban environment
 - and need for psychological health in a world with fewer family members and lifetime acquaintances around – limited social support networks
 - a trend towards attitudes receptive to “mind-cure” religions
 - seek reward in this life, not the next
 - attain it through force of one’s own will
 - you can make your own life good
 - this fits well with the idea of making your own life good by buying things that make you happy, respected, etc.
 - all these cultural trends interacted, or were facets of the same thing
 - remember the idea that culture is integrated, so that a change in one part ripples through all the rest
 - and those changes in turn affect everything else...
 - new science of psychology legitimizes valuing self-fulfillment
 - then, accepting the value of self-fulfillment makes “mind-cure” religions seem more plausible and desirable
 - both of which make advertising that emphasizes what a product will do for your social standing, self-esteem, etc. seem more appropriate and effective
 - which seems to validate what psychologists are saying
 - and makes mind-cure religions more attractive
 - and so on...